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**From:**

**Sent:** Tuesday, September 01, 2009 4:24:46 PM

**To:**

**Cc:**

**Subject:** RE: Assessment on Defaulted SND case

The short answer is that yes, it is legally permissible to assess less than the amount in the statutory notice of deficiency.

However, doing so without entering into a closing agreement or having some kind of signed document means the assessment is based on an IRS initiated adjustment. Special interest rules apply (section 6611(e)(3)).

If there has been any kind of concession/negotiation in order to get to the settlement it seems appropriate to enter into a closing agreement.

Let me know if you need anything further,